

Senate Study Bill 1096 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON JUDICIARY BILL BY
CHAIRPERSON ZAUN)

A BILL FOR

1 An Act relating to the revised uniform athlete agents Act and
2 providing remedies and penalties.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 9A.101, Code 2017, is amended to read as
2 follows:

3 **9A.101 Title.**

4 This chapter ~~shall be known~~ may be cited as the ~~"Uniform~~
5 ~~"Revised Uniform Athlete Agents Act" Act (2015)"~~.

6 Sec. 2. Section 9A.102, subsection 1, Code 2017, is amended
7 to read as follows:

8 1. "Agency contract" means an agreement ~~pursuant to~~ in which
9 a student athlete authorizes a person to negotiate or solicit
10 on behalf of the ~~student~~ athlete a professional sports services
11 contract or an endorsement contract.

12 Sec. 3. Section 9A.102, subsection 2, Code 2017, is amended
13 by striking the subsection and inserting in lieu thereof the
14 following:

15 2. a. "Athlete agent" means an individual, whether or not
16 registered under this chapter, who does any of the following:

17 (1) Directly or indirectly, recruits or solicits a student
18 athlete to enter into an agency contract or, for compensation,
19 procures employment or offers, promises, attempts, or
20 negotiates to obtain employment for a student athlete as a
21 professional athlete or member of a professional sports team or
22 organization.

23 (2) For compensation or in anticipation of compensation
24 related to a student athlete's participation in athletics does
25 either of the following:

26 (a) Serves the athlete in an advisory capacity on a
27 matter related to finances, business pursuits, or career
28 management decisions, unless the individual is an employee of
29 an educational institution acting exclusively as an employee of
30 the institution for the benefit of the institution.

31 (b) Manages the business affairs of the athlete by providing
32 assistance with bills, payments, contracts, or taxes.

33 (3) In anticipation of representing a student athlete for a
34 purpose related to the athlete's participation in athletics,
35 does any of the following:

1 (a) Gives consideration to the student athlete or another
2 person.

3 (b) Serves the athlete in an advisory capacity on a matter
4 related to finances, business pursuits, or career management
5 decisions.

6 (c) Manages the business affairs of the athlete by providing
7 assistance with bills, payments, contracts, or taxes.

8 *b. "Athlete agent"* does not include an individual who does
9 either of the following:

10 (1) Acts solely on behalf of a professional sports team or
11 organization.

12 (2) Is a licensed, registered, or certified professional
13 and offers or provides services to a student athlete
14 customarily provided by members of the profession, unless the
15 individual does any of the following:

16 (a) Also recruits or solicits the athlete to enter into an
17 agency contract.

18 (b) Also, for compensation, procures employment or offers,
19 promises, attempts, or negotiates to obtain employment for the
20 athlete as a professional athlete or member of a professional
21 sports team or organization.

22 (c) Receives consideration for providing the services
23 calculated using a different method than for an individual who
24 is not a student athlete.

25 Sec. 4. Section 9A.102, subsection 3, Code 2017, is amended
26 to read as follows:

27 3. "*Athletic director*" means ~~an~~ the individual responsible
28 for administering the overall athletic program of an
29 educational institution or, if an educational institution has
30 separately administered athletic programs for male students and
31 female students, the athletic program for males or the athletic
32 program for females, as appropriate.

33 Sec. 5. Section 9A.102, subsection 4, Code 2017, is amended
34 by striking the subsection and inserting in lieu thereof the
35 following:

1 4. "*Educational institution*" means a public or private
2 elementary school, secondary school, technical or vocational
3 school, community college, college, or university.

4 Sec. 6. Section 9A.102, subsection 5, Code 2017, is amended
5 to read as follows:

6 5. "*Endorsement contract*" means an agreement under which a
7 student athlete is employed or receives consideration to use on
8 behalf of the other party any value that the ~~student~~ athlete
9 may have because of publicity, reputation, following, or fame
10 obtained because of athletic ability or performance.

11 Sec. 7. Section 9A.102, Code 2017, is amended by adding the
12 following new subsection:

13 NEW SUBSECTION. 5A. "*Enrolled*" means registered for courses
14 and attending athletic practice or class. "*Enrolls*" has a
15 corresponding meaning.

16 Sec. 8. Section 9A.102, subsection 6, Code 2017, is amended
17 to read as follows:

18 6. "*Intercollegiate sport*" means a sport played at the
19 collegiate level for which eligibility requirements for
20 participation by a student athlete are established by a
21 national association ~~for the promotion or regulation of that~~
22 promotes or regulates collegiate athletics.

23 Sec. 9. Section 9A.102, Code 2017, is amended by adding the
24 following new subsections:

25 NEW SUBSECTION. 6A. "*Interscholastic sport*" means a sport
26 played between educational institutions that are not community
27 colleges, colleges, or universities.

28 NEW SUBSECTION. 6B. "*Licensed, registered, or certified*
29 *professional*" means an individual licensed, registered, or
30 certified as an attorney, dealer in securities, financial
31 planner, insurance producer, real estate broker or sales agent,
32 tax consultant, accountant, or member of a profession, other
33 than that of athlete agent, who is licensed, registered, or
34 certified by the state or a nationally recognized organization
35 that licenses, registers, or certifies members of the

1 profession on the basis of experience, education, or testing.

2 Sec. 10. Section 9A.102, subsections 7 and 8, Code 2017, are
3 amended to read as follows:

4 7. "*Person*" means an individual, ~~corporation~~ estate,
5 ~~business trust, estate, trust, partnership, limited liability~~
6 ~~company, association, joint venture~~ or nonprofit entity, public
7 corporation, government, or governmental subdivision, agency,
8 ~~or instrumentality, public corporation, or any other legal or~~
9 ~~commercial~~ entity.

10 8. "*Professional sports services contract*" means an agreement
11 under which an individual is employed, as a professional
12 athlete or agrees to render services, as a player on a
13 professional sports team, or with a professional sports
14 ~~organization, or as a professional athlete.~~

15 Sec. 11. Section 9A.102, Code 2017, is amended by adding the
16 following new subsections:

17 NEW SUBSECTION. 9A. "*Recruit or solicit*" means attempt to
18 influence the choice of an athlete agent by a student athlete
19 or, if the athlete is a minor, a parent or guardian of the
20 athlete. "*Recruit or solicit*" does not include giving advice on
21 the selection of a particular agent in a family, coaching, or
22 social situation unless the individual giving the advice does
23 so because of the receipt or anticipated receipt of an economic
24 benefit, directly or indirectly, from the agent.

25 NEW SUBSECTION. 10A. "*Sign*" means, with present intent to
26 authenticate or adopt a record, doing any of the following:

27 a. Executing or adopting a tangible symbol.

28 b. Attaching to or logically associating with the record an
29 electronic symbol, sound, or process.

30 Sec. 12. Section 9A.102, subsection 12, Code 2017, is
31 amended to read as follows:

32 12. "*Student athlete*" means an individual who is eligible to
33 attend an educational institution and engages in, is eligible
34 to engage in, or may be eligible in the future to engage in, any
35 interscholastic or intercollegiate sport. ~~If~~ "*Student athlete*"

1 does not include an individual ~~is~~ permanently ineligible to
2 participate in a particular interscholastic or intercollegiate
3 ~~sport, the individual is not a student athlete for purposes of~~
4 that sport.

5 Sec. 13. Section 9A.103, Code 2017, is amended to read as
6 follows:

7 **9A.103 Service of process — subpoenas Secretary of state —**
8 **authority — procedure.**

9 1. Chapter 17A applies to this chapter. The secretary
10 of state may adopt rules under chapter 17A to implement this
11 chapter.

12 ~~1.~~ 2. By acting as an athlete agent in this state, a
13 nonresident individual appoints the secretary of state as the
14 individual's agent for service of process in any civil action
15 in this state related to the ~~individual's~~ individual acting as
16 an athlete agent in this state.

17 ~~2.~~ 3. The secretary of state may issue ~~subpoenas~~ a subpoena
18 for ~~any~~ material that is relevant to the administration of this
19 chapter.

20 Sec. 14. Section 9A.104, subsections 2 and 3, Code 2017, are
21 amended to read as follows:

22 2. Before being issued a certificate of registration under
23 this chapter, an individual may act as an athlete agent in this
24 state for all purposes except signing an agency contract, if
25 all of the following occur:

26 a. A student athlete or another person acting on behalf
27 of the ~~student~~ athlete initiates communication with the
28 individual.

29 b. ~~Within~~ Not later than seven days after an initial act
30 that requires the individual to register as an athlete agent,
31 the individual submits an application for registration as an
32 athlete agent in this state.

33 3. An agency contract resulting from conduct in violation of
34 this section is void, and the athlete agent shall return any
35 consideration received under the contract.

1 Sec. 15. Section 9A.105, Code 2017, is amended by striking
2 the section and inserting in lieu thereof the following:

3 **9A.105 Registration as athlete agent — application —**
4 **requirements — reciprocal registration.**

5 1. An applicant for registration as an athlete agent shall
6 submit an application for registration to the secretary of
7 state in a form prescribed by the secretary of state. The
8 applicant shall be an individual, and the application filed
9 must be signed by the applicant under penalty of perjury. The
10 application shall contain at least all of the following:

11 *a.* The name, date, and place of birth of the applicant and
12 the following contact information for the applicant:

13 (1) The address of the applicant's principal place of
14 business.

15 (2) Work and mobile telephone numbers.

16 (3) Any means of communicating electronically, including
17 a facsimile number, electronic mail address, and personal,
18 business, and employer internet sites.

19 *b.* The name of the applicant's business or employer, if
20 applicable, including for each business or employer, its
21 mailing address, telephone number, organization form, and the
22 nature of the business.

23 *c.* Each social media account with which the applicant or the
24 applicant's business or employer is affiliated.

25 *d.* Each business or occupation in which the applicant
26 engaged within five years before the date of the application,
27 including self-employment and employment by others, and
28 any professional or occupational license, registration, or
29 certification held by the applicant during that time.

30 *e.* A description of the applicant, including:

31 (1) Formal training as an athlete agent.

32 (2) Practical experience as an athlete agent.

33 (3) Educational background relating to the applicant's
34 activities as an athlete agent.

35 *f.* The name of each student athlete for whom the applicant

1 acted as an athlete agent within five years before the date
2 of the application or, if the student athlete is a minor, the
3 name of the parent or guardian of the minor, together with the
4 athlete's sport and last-known team.

5 *g.* The name and address of each person that is any of the
6 following:

7 (1) A partner, member, officer, manager, associate,
8 or profit sharer or directly or indirectly holds an equity
9 interest of five percent or greater of the athlete agent's
10 business if it is not a corporation.

11 (2) An officer or director of a corporation employing the
12 athlete agent or a shareholder having an interest of five
13 percent or greater in the corporation.

14 *h.* A description of the status of any application by the
15 applicant, or any person named under paragraph "*g*", for a state
16 or federal business, professional, or occupational license,
17 other than as an athlete agent, from a state or federal agency,
18 including any denial, refusal to renew, suspension, withdrawal,
19 or termination of the license and any reprimand or censure
20 related to the license.

21 *i.* Whether the applicant, or any person named under
22 paragraph "*g*", has pleaded guilty or no contest to, has been
23 convicted of, or has charges pending for, a crime that would
24 involve moral turpitude or be a felony if committed in this
25 state, and, if so, identification of the following:

26 (1) The crime.

27 (2) The law enforcement agency involved.

28 (3) If applicable, the date of the conviction and the fine
29 or penalty imposed.

30 *j.* Whether, within fifteen years before the date of
31 application, the applicant, or any person named under paragraph
32 "*g*", has been a defendant or respondent in a civil proceeding,
33 including a proceeding seeking an adjudication of legal
34 incompetence and, if so, the date and a full explanation of
35 each proceeding.

1 *k.* Whether the applicant, or any person named under
2 paragraph "g", has an unsatisfied judgment or a judgment of
3 continuing effect, including alimony or a domestic order in the
4 nature of child support, which is not current at the date of
5 the application.

6 *l.* Whether, within ten years before the date of application,
7 the applicant, or any person named under paragraph "g", was
8 adjudicated bankrupt or was an owner of a business that was
9 adjudicated bankrupt.

10 *m.* Whether there has been any administrative or judicial
11 determination that the applicant, or any person named under
12 paragraph "g", made a false, misleading, deceptive, or
13 fraudulent representation.

14 *n.* Each instance in which conduct of the applicant, or any
15 person named under paragraph "g", resulted in the imposition
16 of a sanction, suspension, or declaration of ineligibility
17 to participate in an interscholastic, intercollegiate, or
18 professional athletic event on a student athlete or a sanction
19 on an educational institution.

20 *o.* Each sanction, suspension, or disciplinary action taken
21 against the applicant, or any person named under paragraph "g",
22 arising out of occupational or professional conduct.

23 *p.* Whether there has been a denial of an application for,
24 suspension or revocation of, refusal to renew, or abandonment
25 of, the registration of the applicant, or any person named
26 under paragraph "g", as an athlete agent in any state.

27 *q.* Each state in which the applicant currently is registered
28 as an athlete agent or has applied to be registered as an
29 athlete agent.

30 *r.* If the applicant is certified or registered by a
31 professional league or players association, and if so, the
32 following information:

33 (1) The name of the league or association.

34 (2) The date of certification or registration, and the date
35 of expiration of the certification or registration, if any.

1 (3) If applicable, the date of any denial of an application
2 for, suspension or revocation of, refusal to renew, withdrawal
3 of, or termination of, the certification or registration or
4 any reprimand or censure related to the certification or
5 registration.

6 *s.* Any additional information required by the secretary of
7 state by rule.

8 2. Instead of proceeding under subsection 1, an individual
9 registered as an athlete agent in another state may apply for
10 registration as an athlete agent in this state by submitting to
11 the secretary of state the following:

12 *a.* A copy of the application for registration in another
13 state.

14 *b.* A statement that identifies any material change in the
15 information on the application or verifies there is no material
16 change in the information, signed under penalty of perjury.

17 *c.* A copy of the certificate of registration from the other
18 state.

19 3. The secretary of state shall issue a certificate of
20 registration to an individual who applies for registration
21 under subsection 2 if the secretary of state determines the
22 following:

23 *a.* The application and registration requirements of the
24 other state are substantially similar to or more restrictive
25 than this chapter.

26 *b.* The registration has not been revoked or suspended and
27 no action involving the individual's conduct as an athlete
28 agent is pending against the individual or the individual's
29 registration in any state.

30 4. For purposes of implementing subsection 3, the secretary
31 of state shall do the following:

32 *a.* Cooperate with national organizations concerned with
33 athlete agent issues and agencies in other states which
34 register athlete agents to develop a common registration form
35 and determine which states have laws that are substantially

1 similar to or more restrictive than this chapter.

2 *b.* Exchange information, including information related
3 to actions taken against registered athlete agents or their
4 registrations, with those organizations and agencies.

5 Sec. 16. Section 9A.106, Code 2017, is amended to read as
6 follows:

7 **9A.106 Certificate of registration — issuance or denial —**
8 **renewal.**

9 1. Except as otherwise provided in [subsection 2](#), the
10 secretary of state shall issue a certificate of registration
11 to an individual applicant for registration who complies with
12 section 9A.105, subsection 1, ~~or whose application has been~~
13 ~~accepted under~~ [section 9A.105, subsection 2](#).

14 2. The secretary of state may refuse to issue a certificate
15 of registration to an applicant for registration under section
16 9A.105, subsection 1, if the secretary of state determines that
17 the applicant has engaged in conduct that ~~has a significant~~
18 ~~adverse effect~~ significantly adversely reflects on the
19 applicant's fitness to act as an athlete agent. In making the
20 determination, the secretary of state may consider whether the
21 applicant has done the following:

22 *a.* Been Pleaded guilty or no contest to, has been convicted
23 of, or has charges pending for, a crime that, would involve
24 moral turpitude or be a felony if committed in this state,
25 ~~would be a crime involving moral turpitude or a felony.~~

26 *b.* Made a materially false, misleading, deceptive, or
27 fraudulent representation in the application or as an athlete
28 agent.

29 *c.* Engaged in conduct that would disqualify the applicant
30 from serving in a fiduciary capacity.

31 *d.* Engaged in conduct prohibited by [section 9A.114](#).

32 *e.* ~~Had a certificate of registration or licensure as an~~
33 athlete agent suspended, revoked, or denied or been in any
34 state.

35 *f.* Been refused renewal of a certificate of registration or

1 ~~licensure~~ as an athlete agent in any state.

2 ~~f.~~ g. Engaged in conduct ~~which resulted~~ resulting in
3 the imposition of a sanction, suspension, or declaration
4 of ineligibility to participate in an interscholastic, ~~or~~
5 intercollegiate, or professional athletic event on, ~~of, or by~~ a
6 student athlete or a sanction on an educational institution.

7 ~~g.~~ h. Engaged in conduct that ~~significantly~~ adversely
8 reflects on the applicant's credibility, honesty, or integrity.

9 3. In making a determination under subsection 2, the
10 secretary of state shall consider the following:

11 a. How recently the conduct occurred.

12 b. The nature of the conduct and the context in which it
13 occurred.

14 c. ~~Any other~~ Other relevant conduct of the applicant.

15 4. An athlete agent registered under subsection 1 may apply
16 to renew ~~a certificate of the~~ registration by submitting an
17 application for renewal in a form prescribed by the secretary
18 of state. ~~An application filed under this section is a public~~
19 ~~record.~~ The applicant shall sign the application for renewal
20 ~~must be signed by the applicant~~ under penalty of perjury
21 and ~~must contain~~ include current information on all matters
22 required in an original application for registration.

23 5. ~~An individual who has submitted an application for~~
24 ~~renewal of a certificate of~~ athlete agent registered under
25 section 9A.105, subsection 3, may renew the registration
26 ~~or licensure in another state, in lieu of submitting an~~
27 ~~application for renewal in the form prescribed pursuant to~~
28 by proceeding under subsection 4 or, may file a copy of the
29 ~~application for renewal and a valid certificate of~~ if the
30 ~~registration or licensure from~~ in the other state has been
31 renewed, by submitting to the secretary of state copies of the
32 application for renewal in the other state and the renewed
33 registration from the other state. The secretary of state
34 shall ~~accept the application for renewal from the other state~~
35 ~~as an application for renewal in this state if the application~~

1 ~~to the other state complies with~~ renew the registration if the
2 secretary of state determines all of the following:

3 ~~a. Was submitted in the other state within the six-month~~
4 ~~period immediately preceding the filing in this state and~~
5 ~~the applicant certifies the information contained in the~~
6 ~~application for renewal in the other state is current.~~

7 ~~b. a. Contains information~~ The registration requirements
8 of the other state are substantially similar to or more
9 comprehensive restrictive than that required in an application
10 for renewal submitted in this state chapter.

11 ~~c. Was signed by the applicant under penalty of perjury.~~

12 b. The renewed registration has not been suspended or
13 revoked and no action involving the individual's conduct as
14 an athlete agent is pending against the individual or the
15 individual's registration in any state.

16 6. ~~An original~~ A certificate of registration or a renewal
17 of a certificate of registration under this chapter is valid
18 for two years.

19 Sec. 17. Section 9A.107, Code 2017, is amended to read as
20 follows:

21 **9A.107 Suspension, revocation, or refusal to renew**
22 **registration.**

23 1. The secretary of state may limit, suspend, revoke, or
24 refuse to renew a certificate of registration of an individual
25 registered under section 9A.106, subsection 1, for conduct that
26 would have justified denial of refusal to issue a certificate
27 of registration under section 9A.106, subsection 2.

28 2. The secretary of state may ~~deny, suspend, or revoke, or~~
29 ~~refuse to renew a certificate of the~~ registration or licensure
30 only after proper notice and an opportunity for a hearing held
31 in accordance with chapter 17A of an individual registered
32 under section 9A.105, subsection 3, or renewed under section
33 9A.106, subsection 5, for any reason for which the secretary of
34 state could have refused to grant or renew registration or for
35 conduct that would justify refusal to issue a certificate of

1 registration under section 9A.106, subsection 2.

2 Sec. 18. Section 9A.108, Code 2017, is amended to read as
3 follows:

4 **9A.108 Temporary registration.**

5 The secretary of state may issue a temporary certificate
6 of registration as an athlete agent while an application for
7 registration or renewal of registration is pending.

8 Sec. 19. Section 9A.109, Code 2017, is amended to read as
9 follows:

10 **9A.109 Registration and renewal fees.**

11 An application for registration or renewal of registration
12 as an athlete agent shall be accompanied by a reasonable
13 ~~registration or renewal of registration~~ fee sufficient to
14 offset expenses incurred in the administration of **this chapter**
15 as established by the secretary of state.

16 Sec. 20. Section 9A.110, Code 2017, is amended to read as
17 follows:

18 **9A.110 Required form of agency contract.**

19 1. An agency contract shall be in a record, signed, ~~or~~
20 ~~otherwise authenticated~~ by the parties.

21 2. An agency contract shall contain the following
22 information:

23 a. A statement that the agent is registered as an athlete
24 agent in this state and a list of any other states in which the
25 agent is registered as an athlete agent.

26 ~~a.~~ b. The amount and method of calculating the
27 consideration to be paid by the student athlete for services
28 to be provided by the ~~athlete~~ agent under the contract and any
29 other consideration the ~~athlete~~ agent has received or will
30 receive from any other source for entering into the contract
31 or ~~for~~ providing the services.

32 ~~b.~~ c. The name of any person not listed in the agent's
33 application for registration or renewal of registration ~~who~~
34 which will be compensated because the ~~student~~ athlete signed
35 the ~~agency~~ contract.

1 ~~e, d.~~ The A description of any expenses ~~that the student~~
2 athlete agrees to reimburse.

3 ~~d, e.~~ The A description of the services to be provided to
4 the ~~student~~ athlete.

5 ~~e, f.~~ The duration of the contract.

6 ~~f, g.~~ The date of execution ~~of the contract.~~

7 3. An Subject to subsection 7, an agency contract must
8 ~~contain, in close proximity to the signature of the student~~
9 ~~athlete, a conspicuous notice in boldface type in capital~~
10 ~~letters and in substantially the following form stating:~~

11 WARNING TO STUDENT ATHLETE

12 IF YOU SIGN THIS CONTRACT:

13 [1] YOU MAY LOSE YOUR ELIGIBILITY TO COMPETE AS A STUDENT
14 ATHLETE IN YOUR SPORT;

15 [2] IF YOU HAVE AN ATHLETIC DIRECTOR, WITHIN 72 HOURS
16 AFTER ENTERING INTO SIGNING THIS CONTRACT OR BEFORE THE NEXT
17 SCHEDULED ATHLETIC EVENT IN WHICH YOU PARTICIPATE, WHICHEVER
18 OCCURS FIRST, BOTH YOU AND YOUR ATHLETE AGENT MUST NOTIFY YOUR
19 ATHLETIC DIRECTOR THAT YOU HAVE ENTERED INTO THIS CONTRACT AND
20 PROVIDE THE NAME AND CONTACT INFORMATION OF THE ATHLETE AGENT;
21 AND

22 [3] YOU MAY CANCEL THIS CONTRACT WITHIN 14 DAYS AFTER
23 SIGNING IT. CANCELLATION OF THIS CONTRACT MAY NOT REINSTATE
24 YOUR ELIGIBILITY AS A STUDENT ATHLETE IN YOUR SPORT.

25 4. An agency contract ~~that does not conform to this section~~
26 is voidable must be accompanied by a separate record signed by
27 the student athlete. If a student or, if the athlete voids an
28 agency contract, the student athlete is not required to pay any
29 consideration under the contract or to return any consideration
30 received from the athlete agent to induce the student athlete
31 to enter into is a minor, the parent or guardian of the
32 athlete, acknowledging that signing the contract may result in
33 the loss of the athlete's eligibility to participate in the
34 athlete's sport.

35 5. A student athlete or, if the athlete is a minor, the

1 parent or guardian of the athlete, may void an agency contract
2 that does not conform to this section. If the contract is
3 voided, any consideration received from the athlete agent
4 under the contract to induce entering into the contract is not
5 required to be returned.

6 ~~5.~~ 6. The At the time an agency contract is executed, the
7 athlete agent shall give the student athlete or, if the athlete
8 is a minor, the parent or guardian of the athlete, a copy in a
9 record of the signed or otherwise authenticated agency contract
10 to the student athlete at the time of execution of the contract
11 and the separate acknowledgment required by subsection 4.

12 7. If a student athlete is a minor, an agency contract must
13 be signed by the parent or guardian of the minor and the notice
14 required by subsection 3 shall be revised accordingly.

15 Sec. 21. Section 9A.111, Code 2017, is amended to read as
16 follows:

17 **9A.111 Notice to educational institution.**

18 1. In this section, "communicating or attempting to
19 communicate" means contacting or attempting to contact by an
20 in-person meeting, a record, or any other method that conveys
21 or attempts to convey a message.

22 ~~1.~~ 2. Within Not later than seventy-two hours after
23 entering into an agency contract or before the next scheduled
24 athletic event in which the student athlete may participate,
25 whichever occurs first, the athlete agent shall give notice
26 in a record of the existence of the contract to the athletic
27 director of the educational institution at which the ~~student~~
28 athlete is enrolled or at which the ~~athlete~~ agent has
29 reasonable grounds to believe the ~~student~~ athlete intends to
30 enroll.

31 ~~2.~~ 3. Within Not later than seventy-two hours after
32 entering into an agency contract or before the next scheduled
33 athletic event in which the student athlete may participate,
34 whichever occurs first, the ~~student~~ athlete shall inform the
35 athletic director of the educational institution at which the

1 ~~student~~ athlete is enrolled ~~or intends to enroll~~ that the
2 ~~student~~ athlete has entered into an agency contract and the
3 name and contact information of the athlete agent.

4 4. If an athlete agent enters into an agency contract with
5 a student athlete and the athlete subsequently enrolls at an
6 educational institution, the agent shall notify the athletic
7 director of the educational institution of the existence of
8 the agency contract not later than seventy-two hours after the
9 agent knew or should have known the athlete enrolled.

10 5. If an athlete agent has a relationship with a student
11 athlete before the athlete enrolls in an educational
12 institution and receives an athletic scholarship from the
13 educational institution, the agent shall notify the educational
14 institution of the relationship not later than ten days after
15 the enrollment if the agent knows or should have known of the
16 enrollment and either of the following applies:

17 a. The relationship was motivated in whole or part by the
18 intention of the agent to recruit or solicit the athlete to
19 enter an agency contract in the future.

20 b. The agent directly or indirectly recruited or solicited
21 the athlete to enter an agency contract before the enrollment.

22 6. An athlete agent shall give notice in a record to the
23 athletic director of any educational institution at which a
24 student athlete is enrolled before the agent communicates or
25 attempts to communicate with either of the following for the
26 following purposes:

27 a. The athlete or, if the athlete is a minor, a parent or
28 guardian of the athlete, to influence the athlete or parent or
29 guardian to enter into an agency contract.

30 b. Another individual to have that individual influence the
31 athlete or, if the athlete is a minor, the parent or guardian
32 of the athlete, to enter into an agency contract.

33 7. If a communication or attempt to communicate with an
34 athlete agent is initiated by a student athlete or another
35 individual on behalf of the athlete, the agent shall notify in

1 a record the athletic director of any educational institution
2 at which the athlete is enrolled. The notification must
3 be made not later than ten days after the communication or
4 attempt.

5 8. An educational institution that becomes aware of a
6 violation of this chapter by an athlete agent shall notify
7 the secretary of state and any professional league or players
8 association with which the institution is aware the agent is
9 licensed or registered of the violation.

10 Sec. 22. Section 9A.112, Code 2017, is amended to read as
11 follows:

12 **9A.112 Student athlete's right to cancel.**

13 1. A student athlete or, if the athlete is a minor, the
14 parent or guardian of the athlete, may cancel an agency
15 contract by giving notice in a record of the cancellation to
16 the athlete agent ~~in a record within~~ not later than fourteen
17 days after the contract is signed.

18 2. A student athlete ~~shall~~ or, if the athlete is a minor,
19 the parent or guardian of the athlete, may not waive the right
20 to cancel an agency contract.

21 3. If a student athlete, parent, or guardian cancels an
22 agency contract, the ~~student athlete, parent, or guardian~~ is
23 not required to pay any consideration under the contract or
24 ~~to~~ return any consideration received from the athlete agent
25 to ~~induce~~ influence the ~~student~~ athlete to enter into the
26 contract.

27 Sec. 23. Section 9A.113, Code 2017, is amended to read as
28 follows:

29 **9A.113 Required records.**

30 1. An athlete agent shall create and retain ~~the following~~
31 ~~records for a period of five years~~ records of the following:

32 a. The name and address of each individual represented by
33 the athlete agent.

34 b. ~~Any~~ Each agency contract entered into by the athlete
35 agent.

1 ~~c. Any~~ The direct costs incurred by the ~~athlete~~ agent in the
2 recruitment or solicitation of a each student athlete to enter
3 into an agency contract.

4 2. Records ~~required to be retained pursuant to~~ described in
5 subsection 1 are open to inspection by the secretary of state
6 during normal business hours.

7 Sec. 24. Section 9A.114, Code 2017, is amended to read as
8 follows:

9 **9A.114 Prohibited conduct.**

10 1. An athlete agent, with the intent to ~~induce~~ influence
11 a student athlete or, if the student athlete is a minor, the
12 parent or guardian of the student athlete, to enter into an
13 agency contract, shall not ~~do~~ take any of the following actions
14 or encourage any other individual to take or assist any other
15 individual in taking any of the following actions on behalf of
16 the agent:

17 a. Give ~~any~~ materially false, or misleading, ~~deceptive,~~
18 ~~or fraudulent~~ information or make a materially false promise
19 or ~~a materially false, misleading, deceptive, or fraudulent~~
20 representation.

21 b. Furnish anything of value to ~~a student~~ the athlete before
22 the ~~student~~ athlete enters into the agency contract.

23 c. Furnish anything of value to ~~any~~ an individual other than
24 the ~~student~~ athlete or another registered athlete agent.

25 2. An athlete agent shall not intentionally do any of the
26 following or encourage any other individual to do any of the
27 following on behalf of the agent:

28 a. Initiate contact, directly or indirectly, with a student
29 athlete or, if the athlete is a minor, a parent or guardian
30 of the athlete, to recruit or solicit the athlete, parent, or
31 guardian to enter an agency agreement unless registered under
32 this chapter.

33 b. ~~Refuse or fail~~ Fail to create or retain or to permit
34 inspection of the records required ~~to be retained~~ by section
35 9A.113.

- 1 *c.* Fail to register when required by [section 9A.104](#).
- 2 *d.* Provide materially false or misleading information in an
3 application for registration or renewal of registration.
- 4 *e.* Predate or postdate an agency contract.
- 5 *f.* Fail to notify a student athlete or, if the athlete is a
6 minor, a parent or guardian of the athlete before the ~~student~~
7 athlete, parent, or guardian signs ~~or otherwise authenticates~~
8 an agency contract for a particular sport that the signing
9 ~~or authentication~~ may make the ~~student~~ athlete ineligible to
10 participate as a student athlete in that sport.
- 11 Sec. 25. Section 9A.116, subsection 1, Code 2017, is amended
12 to read as follows:
- 13 1. An educational institution ~~has a right of~~ or student
14 athlete may bring an action for damages against an athlete
15 agent if the institution or ~~a former student~~ athlete for
16 ~~damages caused~~ is adversely affected by a an act or omission
17 of the agent in violation of [this chapter](#). ~~In an action under~~
18 ~~this section~~, the court may award costs and reasonable attorney
19 ~~fees to the prevailing party.~~ An educational institution or
20 student athlete is adversely affected by an act or omission
21 of the agent only if, because of the act or omission, the
22 institution or an individual who was a student athlete at the
23 time of the act or omission and enrolled in the institution is
24 either of the following:
- 25 *a.* Suspended or disqualified from participation in an
26 interscholastic or intercollegiate sports event by or under
27 the rules of a state or national federation or association
28 that promotes or regulates interscholastic or intercollegiate
29 sports.
- 30 *b.* Suffers financial damage.
- 31 Sec. 26. Section 9A.116, subsections 2 and 3, Code 2017,
32 are amended by striking the subsections and inserting in lieu
33 thereof the following:
- 34 2. A plaintiff that prevails in an action under this
35 section may recover actual damages, and costs and reasonable

1 attorney fees. An athlete agent found liable under this
2 section forfeits any right of payment for anything of benefit
3 or value provided to the student athlete and shall refund any
4 consideration paid to the agent by or on behalf of the athlete.

5 3. A violation of this chapter is an unlawful practice
6 pursuant to section 714.16, subsection 2, paragraph "p". The
7 provisions of section 714.16, including but not limited to
8 provisions relating to investigation, injunctive relief, and
9 penalties, shall apply to this chapter.

10 Sec. 27. Section 9A.116, subsections 4 and 5, Code 2017, are
11 amended by striking the subsections.

12 Sec. 28. Section 9A.117, Code 2017, is amended to read as
13 follows:

14 **9A.117 Administrative penalty.**

15 The secretary of state may assess a civil penalty against an
16 athlete agent not to exceed ~~twenty-five~~ fifty thousand dollars
17 for a violation of [this chapter](#).

18 Sec. 29. Section 9A.118, Code 2017, is amended to read as
19 follows:

20 **9A.118 Uniformity of application and construction.**

21 In applying and construing [this chapter](#), consideration must
22 be given to the need to promote uniformity of the law with
23 respect to the subject matter of [this chapter](#) among states that
24 enact the revised uniform athlete agents Act (2015).

25 Sec. 30. Section 9A.119, Code 2017, is amended by striking
26 the section and inserting in lieu thereof the following:

27 **9A.119 Relation to Electronic Signatures in Global and
28 National Commerce Act.**

29 This chapter modifies, limits, or supersedes the federal
30 Electronic Signatures in Global and National Commerce Act, 15
31 U.S.C. §7001 et seq., but does not modify, limit, or supersede
32 section 101(c) of that Act, 15 U.S.C. §7001(c), or authorize
33 electronic delivery of any of the notices described in section
34 103(b) of that Act, 15 U.S.C. §7003(b).

35 Sec. 31. NEW SECTION. **9A.120 Severability.**

1 If any provision of this chapter or its application to any
2 person or circumstance is held invalid, the invalidity does
3 not affect other provisions or applications of this chapter
4 which can be given effect without the invalid provision or
5 application, and to this end the provisions of this chapter are
6 severable.

7 Sec. 32. Section 714.16, subsection 2, Code 2017, is amended
8 by adding the following new paragraph:

9 NEW PARAGRAPH. *p.* It is an unlawful practice for an athlete
10 agent to violate any of the provisions of chapter 9A.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill revises the "Uniform Athlete Agents Act" contained
15 in Code chapter 9A, and provides remedies and penalties. The
16 revised Code chapter may be cited as the "Revised Uniform
17 Athlete Agents Act (2015)".

18 Code section 9A.102 is amended by striking and rewriting
19 the definition of "athlete agent". Code section 9A.102 is
20 amended by modifying existing definitions of "agency contract";
21 "athletic director"; "endorsement contract"; "intercollegiate
22 sport"; "person"; "professional sports services contract"; and
23 "student athlete". New definitions are added for "educational
24 institution"; "enrolled" or "enrolls"; "interscholastic sport";
25 "licensed, registered, or certified professional"; "recruit
26 or solicit"; and "sign". The bill deletes the definition of
27 "contact".

28 Code section 9A.103 is amended to expressly provide that the
29 secretary of state may adopt rules under Code chapter 17A to
30 implement the chapter.

31 Code section 9A.104 is amended to provide that an individual
32 may act as an athlete agent, except for signing an agency
33 contract, if a student athlete or a person acting on the
34 athlete's behalf initiates communication with the individual
35 and the individual submits an application for registration as

1 an athlete agent in this state not later than seven days after
2 an initial act that requires the individual to register.

3 Code section 9A.105 is stricken and rewritten. Code section
4 9A.105(1) specifies information that must be included in an
5 application for registration as an athlete agent.

6 Code section 9A.105(2) provides that instead of submitting
7 an application under Code section 9A.105(1), an individual
8 registered as an athlete agent in another state may apply for
9 registration as an agent in this state by submitting a copy of
10 the application and certificate from the other state, and a
11 statement indicating any material changes.

12 Code section 9A.105(3) requires the secretary of state
13 to issue a certificate of registration in this state if the
14 application and registration requirements in the other state
15 are substantially similar or are more restrictive and the
16 agent's registration has not been revoked or suspended and is
17 not under pending action in any state.

18 Code section 9A.105(4) directs the secretary of state to
19 cooperate with national organizations concerned with athlete
20 agent issues and agencies in other states which register
21 athlete agents to develop a common registration form and
22 to exchange information related to actions taken against
23 registered athlete agents or their registrations.

24 Code section 9A.106, regarding the issuance or denial of
25 certificates of registration as an athlete agent or a renewal
26 of a certificate, is amended. The secretary of state can
27 consider not only whether an applicant has been convicted of a
28 crime that would involve moral turpitude or be a felony, but
29 whether the applicant has pleaded guilty or no contest to such
30 a crime. The secretary of state can also consider whether
31 an applicant has engaged in conduct resulting in a sanction,
32 suspension, or declaration of ineligibility to participate in
33 an interscholastic, intercollegiate, or professional athletic
34 event on a student athlete or a sanction on an educational
35 institution.

1 Code section 9A.107, concerning suspension, revocation,
2 or refusal to renew registration of an athlete agent, is
3 amended to allow the secretary of state to also limit such
4 registration. The secretary of state may suspend or revoke the
5 registration in this state of an individual registered as an
6 athlete agent in another state for any reason for which the
7 secretary could have refused to grant, renew, or refuse to
8 issue registration to an individual registered as an athlete
9 agent only in this state.

10 Code section 9A.108 is amended to specify that the secretary
11 of state may issue a temporary certificate of registration
12 as an athlete agent while an application for registration or
13 renewal is pending.

14 Code section 9A.110 is amended to modify specifications
15 for what must be included in an agency contract. The bill
16 specifies that if an athlete is a minor, the parent or guardian
17 of the athlete may sign or void an agency contract and is
18 entitled to a copy of the contract.

19 Code section 9A.111 is amended to add requirements
20 related to an athlete agent's duty to give certain notice to
21 educational institutions. For purposes of this Code section,
22 "communicating or attempting to communicate" means contacting
23 or attempting to contact by an in-person meeting, a record, or
24 any other method that conveys or attempts to convey a message.

25 Code section 9A.111 is amended to require an athlete agent
26 to notify the athletic director of an educational institution
27 of the existence of an agency contract not later than 72 hours
28 after the agent knew or should have known the student athlete
29 enrolled in an educational institution. The agent must also
30 notify the educational institution not later than 10 days after
31 the agent knew or should have known of the student athlete's
32 enrollment if the agent has a relationship with the athlete
33 motivated by the intention of the agent to recruit or solicit
34 the athlete to enter into an agency contract in the future or
35 the agent directly or indirectly recruited or solicited the

1 athlete to enter into a contract before the enrollment. The
2 athlete agent must also give notice to the athletic director of
3 the educational institution before communicating or attempting
4 to communicate with the athlete or, if the athlete is a minor,
5 the athlete's parent or guardian, or with another individual,
6 to influence the athlete to enter into an agency contract.
7 If the student athlete initiates a communication or attempts
8 to communicate with an agent, the agent shall notify the
9 athletic director of the educational institution in which the
10 student athlete is enrolled, not later than 10 days after the
11 communication or attempt to communicate is made by the athlete.

12 Code section 9A.111 is also amended to provide that an
13 educational institution that becomes aware of a violation of
14 Code chapter 9A by an athlete agent is required to notify the
15 secretary of state and any professional league or players
16 association with which the institution is aware the agent is
17 licensed or registered of the violation.

18 Code section 9A.112 is amended to provide that if a student
19 athlete is a minor, the parent or guardian of the athlete may
20 cancel an agency contract not later than 14 days after the
21 contract is signed. If the contract is canceled, the athlete,
22 parent, or guardian is not required to pay any consideration
23 under the contract or repay any consideration received from the
24 athlete agent to induce the athlete to enter into the contract.

25 Code section 9A.113 is amended to require an athlete agent
26 to create and retain records containing specified information
27 which is open to inspection by the secretary of state during
28 normal business hours.

29 Code section 9A.114 is amended to extend prohibited conduct
30 of an athlete agent to conduct involving the parent or guardian
31 of a student athlete who is a minor. An athlete agent is
32 prohibited from taking, or encouraging another individual on
33 behalf of the agent to take, specified actions. An athlete
34 agent is prohibited from initiating contact, directly or
35 indirectly, with a student athlete or a minor athlete's parent

1 or guardian to recruit or solicit the athlete, parent, or
2 guardian to enter into an agency agreement, unless the agent is
3 registered under Code chapter 9A. The agent is also prohibited
4 from failing to notify a student athlete, or a minor athlete's
5 parent or guardian, before signing an agency contract for a
6 particular sport that signing the contract may make the student
7 athlete ineligible to participate as a student athlete in that
8 sport.

9 Code section 9A.116 is amended to provide that an
10 educational institution or a student athlete may bring an
11 action for damages against an athlete agent if the institution
12 or athlete is adversely affected by an act or omission of the
13 agent in violation of Code chapter 9A. The bill provides that
14 an educational institution or student athlete is adversely
15 affected by an act or omission of the agent only if, because of
16 the act or omission, the institution or an individual who was a
17 student athlete at the time of the act or omission and enrolled
18 in the institution, either is suspended or disqualified from
19 participation in an interscholastic or intercollegiate sports
20 event by or under the rules of a state or national federation
21 or association that promotes or regulates interscholastic or
22 intercollegiate sports, or suffers financial damage.

23 Code section 9A.116 is also amended to provide that a
24 plaintiff who prevails in an action under the Code section
25 may recover actual damages, and costs and reasonable attorney
26 fees. An athlete agent found liable under this Code section
27 forfeits any right of payment by the student athlete and must
28 refund any consideration paid to the agent by or on behalf of
29 the student athlete. The bill also provides that a violation
30 of Code chapter 9A is an unlawful practice under Code section
31 714.16 and the provisions of that Code section relating to
32 investigation, injunctive relief, and penalties also apply
33 to Code chapter 9A. A corresponding change is made to Code
34 section 714.16 specifying that it is an unlawful practice for
35 an athlete agent to violate any of the provisions of Code

1 chapter 9A.

2 Code section 9A.117 is amended to provide that the secretary
3 of state may assess a civil penalty against an athlete agent
4 not to exceed \$50,000 instead of \$25,000.

5 Code section 9A.118 is amended to reflect that the bill
6 amends Code chapter 9A to contain the subject matter of the
7 Revised Uniform Athlete Agents Act (2015).

8 Code section 9A.119 is stricken and rewritten to provide
9 that Code chapter 9A modifies, limits, or supersedes the
10 federal Electronic Signatures in Global and Commerce Act,
11 but does not modify, limit, or supersede section 101(c) of
12 the federal Act pertaining to consumer access to information
13 electronically, or authorize electronic delivery of certain
14 specified notices.

15 New Code section 9A.120 makes the provisions of Code chapter
16 9A severable in the event that the provisions of the Code
17 chapter or their applicability to any person or circumstance
18 is found to be invalid.